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Programme budget for the biennium 2008-2009

Development Account

Report of the Secretary-General**

Summary

The present report is prepared pursuant to paragraph 15 of section VIII of General Assembly resolution 62/238, in which the Assembly requested the Secretary-General to submit a report on the implementation of section VIII to it at its sixty-third session. The report includes the status of implementation of additional resources provided through General Assembly resolutions 62/235 (\$5 million), 62/238 (\$2.5 million) and 62/237 on the initial appropriation of the programme budget for the biennium 2008-2009 (\$18,651,300) and the status of implementation of decisions reflected in resolution 62/238, in particular identifying resources from possible reductions in administration and other overhead costs for transfer to the Development Account.

* A/63/150 and Corr.1.

** The present report has been submitted late owing to the need for extensive consultations.



Contents

	<i>Page</i>
I. Introduction	3
II. Part one: status of implementation of projects funded from additional resources provided under various resolutions	3
III. Part two: implementation of decisions reflected in section VIII of resolution 62/238.	6
IV. Recommendations	7
Annex	8

I. Introduction

1. The present report is submitted in accordance with the request contained in paragraph 15 of section VIII of General Assembly resolution 62/238, in which the Assembly requested the Secretary-General to submit to it at its sixty-third session a report on implementation of decisions reflected in that section.

2. The current report is presented in two sections, as follows:

(a) Status of implementation of projects funded from additional resources provided under resolutions 62/235, 62/237 and 62/238;

(b) Status of implementation of the provisions of section VIII of resolution 62/238 with regard to identification of savings through reduction in administration and overhead costs.

II. Part one: status of implementation of projects funded from additional resources provided under various resolutions

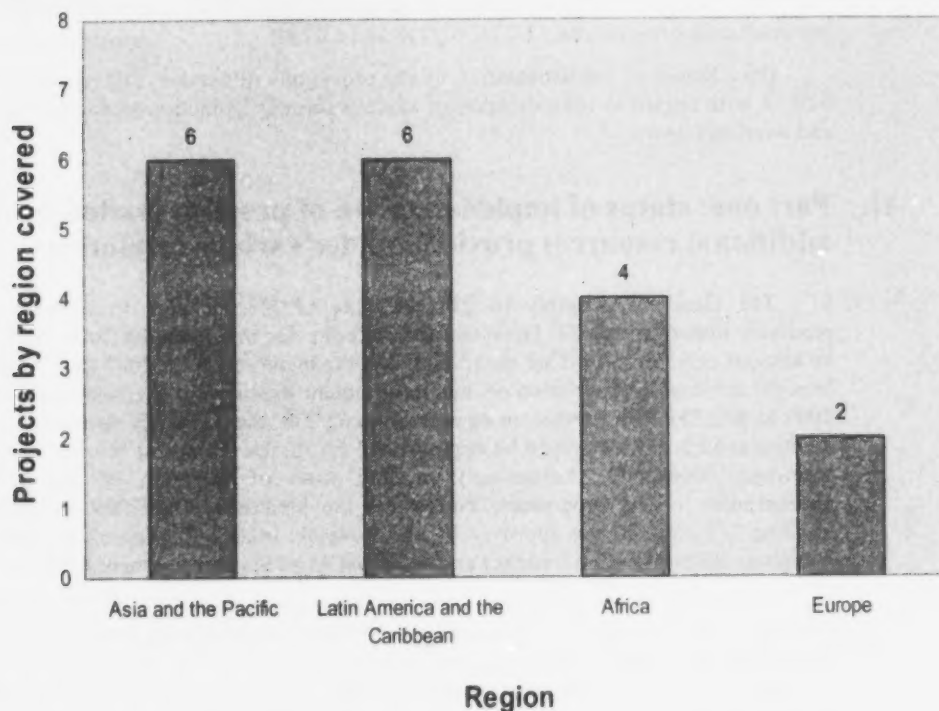
3. The General Assembly in its resolution 62/235, decided to increase the provision under section 34, Development Account, for the biennium 2006-2007, by an amount of \$5 million. That decision, under the biennium 2006-2007 (5th tranche) brought the total appropriation of the Development Account for the biennium 2006-2007 to \$21,551,900. Further, in its resolution 62/238, the Assembly decided that an additional \$2.5 million would be appropriated for the Development Account for the biennium 2008-2009. Accordingly, at the time of adoption of the initial appropriation of the programme budget for the biennium 2008-2009 an amount totalling \$18,651,300 was approved by the Assembly in its resolution 62/237 for the biennium 2008-2009 (6th tranche) under section 34 of the Development Account.

4. Subsequent to the decisions taken by the General Assembly, the programme manager of the Development Account solicited additional projects from the various implementing entities. Based on the criteria set out for the utilization of the Development Account, the programme manager, after consulting with the relevant entities of the Executive Committee for Economic and Social Affairs, developed a short list of projects. The selection is representative of the projects proposed by both global and regional entities and spans geographical regions (see figure 1). Nine entities will accordingly implement 15 regionally focused projects in Asia and the Pacific; Latin America and the Caribbean; Africa; and Europe.

5. These new projects cover a range of current and emerging development needs. For example, four projects focus on meeting challenges relating to climate change in the Africa, Latin America and the Caribbean and Asia and the Pacific regions, including projects to build capacities of local governments in Africa, to address financial implications of external shocks in Asia and the Pacific and Latin America and the Caribbean and to understand potential economic impacts of climate change. One project addresses sustainable energy policies for production and use of biofuels, with implications, inter alia, for food security. Four projects feature the strengthening of national capacities for sustainable development strategies, including in the countries of the Pacific region, by integrating the Mauritius Strategy for the Further Development of the Programme of Action for the Sustainable Development of Small Island Developing States into their development strategies.

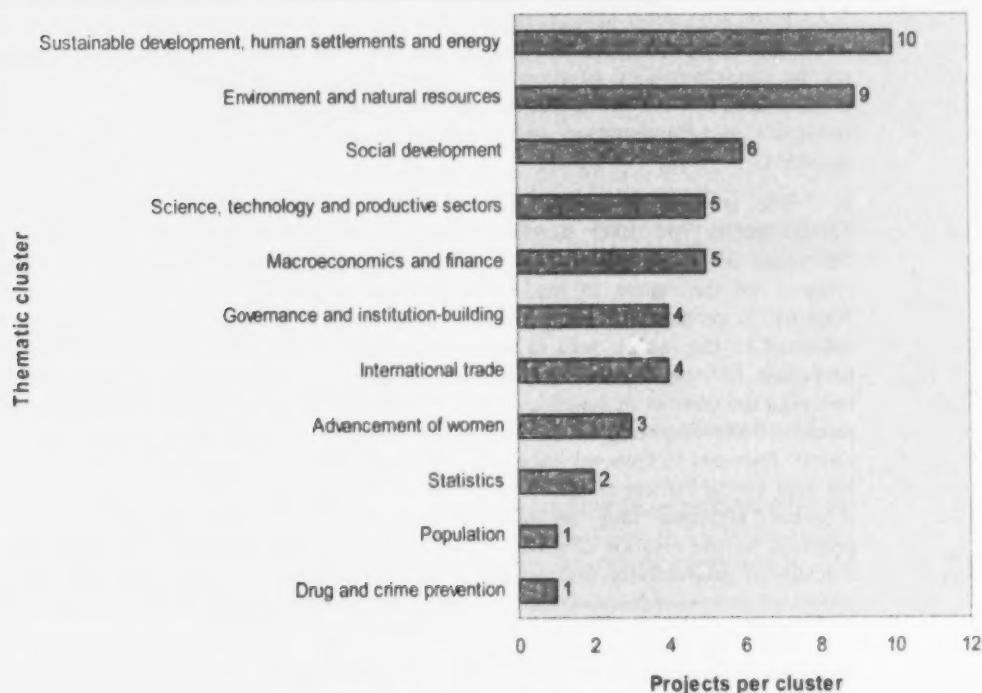
All projects assist in achieving the internationally agreed development goals. As with Development Account projects from prior bienniums, these new projects encompass an array of thematic clusters (see figure II).

Figure I
Development Account projects by region^a



^a Of the 15 projects, one project covers two regions; and one project covers three regions. The total number of projects reflected in the graph will thus appear greater than 15.

Figure II
Thematic coverage of Development Account projects selected^a



^a Projects cover more than one thematic cluster; they will thus appear in more than one category.

6. In this connection, in addition to the projects already indicated under section 34, Development Account, of the programme budget for the biennium 2006-2007¹ and the programme budget for the biennium 2008-2009,² 10 new projects will be included in the biennium 2006-2007 and 5 new projects will be included in the biennium 2008-2009 of the Development Account. All 15 new projects will begin implementation in the biennium 2008-2009 (see annex for detailed information). The project concept papers have been endorsed by the programme manager and respective project documents are currently under preparation.

¹ A/60/6 (Sect. 34).

² A/62/6 (Sect. 34).

III. Part two: implementation of decisions reflected in section VIII of resolution 62/238

7. In its resolution 62/238, the General Assembly took note of the report of the Secretary-General on the Development Account³ and his fifth annual progress report on the implementation of projects financed from the Development Account⁴ and encouraged him to work further towards identifying resources from possible reduction in administration and overhead costs for transfer to the Development Account.

8. The concept to create a "dividend for development" from savings in administration and other overhead costs stemmed from strategy 2, to create a "dividend for development" from savings in administration and other overhead costs — of the report of the Secretary-General entitled "Renewing the United Nations: a programme for reform".⁵ The original purpose of the strategy, as reflected in the report, was to achieve savings in the context of the 1998-1999 proposals for the regular budget with Member States' support, for example by reducing the number of meetings and documents.⁶ This was further elaborated in the report of the Secretary-General on reduction and refocusing of non-programme costs.⁷ Pursuant to General Assembly resolution 52/12 B, the Secretary-General, in his note on the reform of the United Nations and the utilization of the Development Account, reflected that the underlying assumption in the Secretary-General's proposal for the creation of a Development Account was that any gains achieved as a result of productivity improvements such as streamlining and simplification of processes and procedures would become a permanent component of the Account.⁸

9. Since that time the Secretary-General has explored the possibility of identifying resources from a reduction in administration and overhead costs and realizing productivity gains. In response to the request of the General Assembly in its resolution 52/235, the Secretary-General, in his report on the Development Account,⁹ identified six major types of efficiency measures being pursued at that time under modalities for identifying gains and transferring funds to the Development Account. The Secretary-General has produced a number of reports¹⁰ on enhancing cost-effectiveness in implementing legislative mandates, in which information was included on the implementation of measures designed to increase efficiency and productivity in the Secretariat. In particular, in his previous report on the Development Account, the Secretary-General noted that while efficiency measures have helped simplify processes, procedures, rules and services have improved the quality of services and have had an impact on mandated programmes in the form of increased benefits, the results of these efficiency measures cannot be quantified.¹¹ Furthermore, the Secretary-General in a number of his reports¹² has

³ A/62/466.

⁴ A/62/123.

⁵ A/51/950 and Corr.1.

⁶ Ibid., para. 234.

⁷ A/52/758.

⁸ A/52/848, para. 4.

⁹ A/52/1009.

¹⁰ A/52/685, A/52/758, E/AC.51/2002/2, A/58/70, A/60/342 and A/62/69.

¹¹ A/62/466, para. 69.

¹² A/59/397, A/61/282 and A/62/466.

highlighted that identifying efficiency savings in order to increase the resources base of the Development Account has not been feasible. It will also be recalled that, by its resolution 62/238, the General Assembly recognized that the current modalities for financing the Development Account, which is to be funded from savings achieved as a result of the efficiency measures that can be identified in the context of budget performance reporting, have not proven successful. Therefore, the original basis of increasing funding for the Development Account from efficiency savings, as decided in Assembly resolution 52/12 B, no longer seems to be applicable. The Secretary-General will continue to pursue the availability of any other options to those proposals set forth in previous reports of the Secretary-General. However, the Secretary-General will also be guided by any further advice by the Assembly on increasing resources for the Development Account.

IV. Recommendations

10. The General Assembly may wish to:

- (a) Take note of the utilization of additional resources provided through various resolutions under the Development Account;**
- (b) Take note that the original basis of funding the Development Account from efficiency savings is no longer applicable and continue to keep the matter under consideration as to future opportunities for increasing resources for the Development Account.**

Annex

New projects to begin implementation in the biennium 2008-2009

<i>Project title</i>	<i>Amount (In United States dollars)</i>
Biennium 2006-2007 (5th tranche)	
Building capacities in the Asia-Pacific region to address financial implications of external shocks and climate change mitigation through innovative risk-management instruments (United Nations Conference on Trade and Development)	621 000
Building statistical capacity in the low income countries of South-East Asia (Department of Economic and Social Affairs in collaboration with the Economic and Social Commission for Asia and the Pacific)	435 000
Integrating climate change into national sustainable development strategies and plans in Latin America and the Caribbean (Department of Economic and Social Affairs in collaboration with the Economic Commission for Latin America and the Caribbean).	537 000
Enhancing the role of national economic and social councils for inclusive socio-economic policy development (Department of Economic and Social Affairs in collaboration with the Economic Commission for Africa)	281 000
Improving water and health in Central, South-Eastern and Eastern Europe and the Caucasus (Economic Commission for Europe and World Health Organization).	352 000
Capacity-building of Pacific small island developing States to incorporate the Mauritius Strategy into national sustainable development strategies (Economic and Social Commission for Asia and the Pacific in collaboration with the Economic Commission for Latin America and the Caribbean and the Department of Economic and Social Affairs)	631 000
Strengthening national capacities for sustainable production and consumption (United Nations Environment Programme in collaboration with the Department of Economic and Social Affairs and the Economic Commission for Latin America and the Caribbean)	483 000
Supporting Millennium Development Goal-based development strategies through integrated regional action (Economic and Social Commission for Asia and the Pacific in collaboration with the Economic Commission for Europe)	593 000
Strengthening national capacities to design and implement sustainable energy policies for the production and use of biofuels in Latin America and the Caribbean (Economic Commission for Latin America and the Caribbean)	453 000
Strengthening African national capacity to prepare Millennium Development Goal-consistent poverty reduction strategies (Economic Commission for Africa in collaboration with the Department of Economic and Social Affairs)	614 000
Biennium 2008-2009 (6th tranche)	
Strengthening capacity to design and implement national development strategies (Department of Economic and Social Affairs)	280 400
Strengthening science, technology and innovation policies for development in Latin America (United Nations Conference on Trade and Development).	480 000
Building capacities of local governments in Africa to cope with climate change (UN-Habitat in collaboration with the United Nations Environment Programme)	451 000
Understanding potential economic impacts of climate change in Latin America and the Caribbean (Economic Commission for Latin America and the Caribbean)	558 000
Regional harmonization of cyber legislation to promote the knowledge society in the Arab world (Economic and Social Commission for Western Asia)	401 000